

Message Text

LIMITED OFFICIAL USE

PAGE 01 HONG K 09175 041015Z
ACTION EB-08

INFO OCT-01 EA-07 IO-13 ISO-00 AGRE-00 CIAE-00 COME-00
INR-07 LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 FRB-03
OMB-01 L-03 SSO-00 NSCE-00 INRE-00 SS-15 NSC-05
/073 W

-----079728 041026Z /12

O P 040950Z AUG 77
FM AMCONGEN HONG KONG
TO SECSTATE WASHDC IMMEDIATE 6050
INFO USMISSION GENEVA PRIORITY

LIMITED OFFICIAL USE HONG KONG 9175

STATE FOR EB/FTD; STATE PASS STR; GENEVA FOR PHELAN

E.O. 11652: N/A
TAGS: ETRD HK US
SUBJ: TEXTILES: US-HONG KONG BILATERAL AGREEMENT

REF: STATE 182653

FOLLOWING IN ITS ENTIRETY IS TEXT OF HANDCARRIED LETTER FROM PETER
TSAO TO ME RECEIVED AFTERNOON AUGUST4. PLEASE PROVIDE
SOONEST TEXT FOR MY REPLY.

QUOTE

DEAR CONSUL GENERAL: 1. I WRITE IN REFERENCE TO THE LATEST
PROPOSAL FROM YOUR GOVERNMENT REGARDING THE TEXT OF THE
US/HK TEXTILE AGREEMENT WHICH AS YOU ARE AWARE, WAS
SCHEDULED TO BE SIGNED LATER THIS AFTERNOON.

2. I AM PERTURBED BY THE LATEST PROPOSAL CONTAINED IN
WASHINGTON TELEGRAM NO. 9108 TO YOU, A COPY OF WHICH HAS
BEEN MADE AVAILABLE TO ME BY MR BILL MCCAHILL. THE
PROPOSED AMENDMENT IS IN THE FORM OF AN ADDITIONAL CLAUSE
AT THE END OF THE SECOND SENTENCE IN PARAGRAPH 1 OF THE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 HONG K 09175 041015Z

"VISA LETTER," WHICH WILL BECOME ANNEX D OF THE AGREEMENT,
WHEN SIGNED. THE AMENDMENT READS AS FOLLOWS:
"PROVIDED THAT IN THE CASE OF MERGED CATEGORIES, THE
APPLICABLE COMPONENT CATEGORIES AND QUANTITIES SHALL BE
IDENTIFIED SEPARATELY."

3. I AM PERTURBED BECAUSE FIRST, AT THIS LATE STAGE,

AND AFTER ACCEPTING MOST OF THE AMENDMENTS PROPOSED BY THE US SIDE, THERE IS YET ANOTHER AMENDMENT, AND SECONDLY, THIS AMENDMENT IS ONE OF SUBSTANCE BECAUSE THIS WAS A POINT ON WHICH I HAD DISCUSSED BY TELEPHONE WITH MEMBERS OF THE US TEXTILE DELEGATION ON 22 JULY 1977. I ENCLOSE AN EXTRACT FROM THE RECORD OF THIS CONVERSATION. YOU WILL NO DOUBT SEE THAT THE PROPOSED AMENDMENT RUNS COUNTER TO THE UNDERSTANDING REACHED BETWEEN THE TWO SIDES AS REFLECTED IN THE ATTACHED RECORD. I HAVE SINCE SPOKEN BY TELEPHONE WITH DR. ROBERT SHEPHERD OF THE US COMMERCE DEPARTMENT (HE IS CHAIRMAN OF COMMITTEE FOR THE IMPLEMENTATION OF TEXTILE AGREEMENTS) AND MR. SHEPHERD HAS CONFIRMED THE ABOVE UNDERSTANDING.

4. I HAVE TO INFORM YOU THAT THIS LATEST PROPOSED AMENDMENT IS NOT ACCEPTABLE TO MY GOVERNMENT.

5. I SHOULD BE GRATEFUL IF YOU WOULD ALSO CONVEY TO YOUR AUTHORITIES OUR VIEW THAT THE QUESTION OF CONVERSION FACTOR REFERRED TO IN WASHINGTON TELEGRAM 9108 IS IRRELEVANT IN THIS CONTEXT SINCE HONG KONG WILL DEBIT APPROPRIATE AMOUNT OF YARDAGE IN ACCORDANCE WITH THE AGREED CONVERSION FACTORS. BOTH THE COMMERCIAL UNIT AND THE EQUIVALENT SQUARE YARDAGE RESULTING FROM THE APPLICATION OF THE APPROPRIATE CONVERSION FACTOR LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 HONG K 09175 041015Z

WILL BE STATED ON THE LICENSE/VISA; AND THAT THE OBJECTION TO SEPARATELY LISTING COMPONENT PARTS OF FULLY MERGED CATEGORIES (BUT NOT MERGED CATEGORIES WITH SUB-LIMITS IN RESPECT OF WHICH SEPARATE CATEGORY NUMBER AND DESCRIPTION WILL BE GIVEN ON EXPORT LICENSES) IS NOT ONLY A DOCTRINAL ONE, BUT ALSO ARISES FROM PRACTICAL DIFFICULTIES. THE BASIS FOR MERGING THESE CATEGORIES WAS THE RECOGNITION BY BOTH SIDES THE COMPONENTS WITHIN THESE MERGED CATEGORIES ARE ESSENTIALLY IDENTICAL GARMENTS. THEREFORE, FOR THE PURPOSE OF THE VISA WHICH, AS I UNDERSTAND IT, WILL FORM PART OF THE DOCUMENTATION FOR CLEARING US CUSTOMS, WE CAN SEE NO REASON FOR ATTEMPTING TO IDENTIFY INDIVIDUAL COMPONENTS IN FULLY MERGED CATEGORIES.

6. IT IS UNFORTUNATE THAT BECAUSE OF THIS LAST MINUTE PROPOSAL FROM YOUR GOVERNMENT, WE HAVE HAD TO DEFER, YET AGAIN, THE EXCHANGE OF DIPLOMATIC NOTES. I WILL BE IN TOUCH WITH MR. MCCAHL TO SET ANOTHER DATE: UNQUOTE CROSS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXTILES, AGREEMENTS, DIPLOMATIC COMMUNICATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 04-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977HONGK09175
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770279-0528
Format: TEL
From: HONG KONG
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770898/aaaadeyj.tel
Line Count: 114
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0cacfc61-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 182653
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 10-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1711721
Secure: OPEN
Status: NATIVE
Subject: TEXTILES: US-HONG KONG BILATERAL AGREEMENT
TAGS: ETRD, HK, US, (TSAO, PETER), (CROSS)
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/0cacfc61-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009